



***United States Attorney
District of New Jersey***



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**NEW JERSEY MAN AND FLORIDA-BASED FORMER ATTORNEY CHARGED
WITH CONSPIRING TO DEFRAUD INVESTORS OF APPROXIMATELY
\$1 MILLION THROUGH VARIOUS WIRE FRAUD SCHEMES**

NEWARK, N.J. – The Woodcliff Lake, New Jersey-based operator of Suarez Investment and Development, LLC, and a recently disbarred Miami attorney are charged for allegedly executing various schemes to defraud their victims out of approximately \$1 million, U.S. Attorney Paul J. Fishman announced.

Joseph Suarez, 45, of Woodcliff Lake, and Katherine Ferro, 35, of Miami, are charged in a criminal Complaint with conspiracy to commit wire fraud. Suarez was arrested this morning by FBI special agents at his home and is scheduled for an initial appearance and bail hearing this afternoon before United States Magistrate Judge Mark Falk in Newark federal court. Ferro surrendered to agents of the FBI in Miami and will make her initial appearance in Miami federal court.

According to the criminal Complaint:

Between January 2007 and November 2010, Suarez and Ferro conspired to use false representations and other fraudulent means to induce at least ten victims to invest an aggregate of approximately \$1 million dollars into various fraudulent schemes, including a credit card factoring scheme and a scheme to purchase and resell foreign D2 diesel fuel. After their victims transferred money into accounts controlled by Suarez and Ferro, they transferred that money into other accounts for their personal use.

The victims of the defendant's wire fraud conspiracy include a young man whom Suarez befriended after the young man's father died. Suarez and Ferro used false representations to convince the victim to invest approximately \$225,000 in a credit card factoring loan venture, including insurance benefits and other funds the man received after his father's death. Suarez promised the investment would generate at least approximately 16% interest per year. Suarez and Ferro also convinced the young man to invest approximately \$222,000 in a plan to purchase D2 diesel fuel from foreign sources and resell the fuel at a profit, promising approximately 50% interest per year and convincing him to raise additional investment money from his family and friends. Instead of investing the money, the defendants took it for their personal use, then offered the victim a series of excuses for why they had not repaid his investment. They promised they would pay him soon, even giving him large personal checks drawn on closed bank accounts.

Suarez and Ferro also used false representations to convince other victims to invest

approximately \$500,000 in the D2 diesel fuel purchase and sale plan. Suarez and Ferro executed a written escrow agreement with several of these additional victims, which stated, among other things, that the investment would remain in Ferro's attorney trust account for the duration of the investment period. Days after the victims wired their \$500,000 investment into accounts controlled by Suarez and Ferro, the defendants stole the money and began making excuses for not repaying it.

Among other things, Suarez used investor funds to make payments on his Land Rover and for his son's tuition.

The wire fraud conspiracy charge against Suarez and Ferro carries a maximum potential penalty of 20 years in prison and a \$250,000 fine.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, for the investigation leading to today's charges. He also thanked the U.S. Securities and Exchange Commission's New York Regional Office, under the direction of George S. Canellos, and the Bergen County Prosecutor's Office, under the direction of John L. Molinelli, for their assistance.

The government is represented by Assistant U.S. Attorney André M. Espinosa of the U.S. Attorney's Office Economic Crimes Unit in Newark.

The charge and allegations contained in the Complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.

If you believe you have been a victim of or otherwise have information concerning wire fraud in New Jersey, you are encouraged to contact the FBI at 973-792-3000.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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Defense counsel:

Suarez: Nick Akerman, Esq., New York

Ferro: John Bergendahl, Esq., Miami